7. Differences in Regulatory Treatment of Resale vs. Network Elements:

Issue	Resale	Network Element
Pricing Standard	Retail less Avoided Cost	Cost plus a Reasonable Profit
Access Charge Treatment	ILEC entitled to access charges	Network Element Provider entitled to access charges for Exchange Access provided using Network Elements
Joint Marketing Restriction Applicability	Applies	Does Not Apply

8. It's the Substance, not the Label, that Matters. There has admittedly been some confusion over whether the "shared" version of the Interoffice Transport Network Element should be labeled "shared" or whether it should be labeled "common." While the FCC Rules always used the term "shared" to describe this version of Interoffice Transport, and the FCC Order used the term "shared" in all but one occasion, there is a single, isolated instance in the FCC Order, specifically at Paragraph 258, in which the FCC used

the term "common" to refer to the shared version of Interoffice Transport.[26] Ameritech also mistakenly used that term in very early drafts of proposed Interconnection Agreements.

However, it's important not to fixate on the label, but to focus instead on the substance. The description of Shared Transport in the Interconnection Agreements, even when mistakenly labeled "common" in an early draft, always described the same concept, *i.e.*, Interoffice Transport unbundled from switching and other services: the same concept of Shared Transport described in the FCC Rules. Thus, Ameritech suggests that, rather than focusing on the label, the parties should focus on the substance. That substance, as will be discussed further below, clearly demonstrates that Ameritech's interpretation of Shared Transport is consistent with the Interconnection Agreements, the Act, the FCC Rules and the FCC Order.

Ameritech's Shared Transport and Network Platform Offerings

Ameritech's Shared Transport and Network Element Platform offerings fully comply with the Act, the FCC Rules and the FCC Order.

Shared Transport

Ameritech's description of its Shared Transport offering is in Schedule 9.2.4 of the Interconnection Agreement. AT&T voluntarily agreed to that description, *i.e.*, this was not an arbitrated issue. That description fully complies with the FCC Rules and FCC Order: it provides that Shared Transport is

[26]Under Item 6, *supra*, statutory interpretation would conclude that the FCC Rules' consistent reference to "shared" would prevail over the FCC Order's usage of "common" in a single place in the FCC Order.

unbundled from switching and other services, and Shared Transport is provided in such a way to allow AT&T to connect Shared Transport to AT&T's collocated facilities. Ameritech offers such Shared Transport between the locations described in each of Schedule 9.2.4 of the Interconnection Agreement, Section 51.319(d)(1) of the FCC Rules and Paragraph 440 of the FCC Order.

AT&T and others raised two issues about Ameritech's initial offering of Shared Transport, both of which issues have been resolved. First, Ameritech took the position that Shared Transport facilities could be shared by any requesting carrier, except Ameritech. Second, Ameritech proposed that pricing for Shared Transport be based on the Dedicated Transport rates divided by the percentages of use of each sharing carrier. Ameritech subsequently modified its position to permit sharing of Shared Transport facilities with Ameritech and, although not required to do so by the Act, has proposed a new pricing alternative for Shared Transport that includes an option for per minute of use pricing.

Ameritech proposed that option—"Shared Company Transport"—to address concerns that the other unbundled transport arrangements that Ameritech makes available were not affordable. Those other arrangements required use of facilities at a DS-1 or higher transmission level. Although DS-1s are readily affordable by large carriers with significant traffic volumes, Shared Company Transport is intended to make use of interoffice transport facilities

equally feasible for smaller carriers with lesser traffic volumes and/or carriers which are just beginning to provide local exchange service.[27]

Under the Shared Company Transport arrangement, a carrier would specify any number of trunks up to a total of 23 to be activated between any two Ameritech offices.[28] The carrier can pay for these facilities-based on either a flat rate monthly charge that is 1/24th of the DS-1 rate for each trunk or on a usage basis, which is derived by dividing the DS-1 Dedicated Transport rate by 9000, the assumed minutes of use per month that the FCC has adopted. This option will reduce some of the network engineering burden and risks associated with other interoffice transport options, without violating the principles that apply to Network Elements in the Act and FCC Rules. Among those principles is the requirement that AT&T and other carriers will need to designate the Ameritech offices between which it requires such transport and that Shared Company Transport must be provided in such a way to comply with the Act requirement that it can be connected to a requesting carrier's collocation facilities.

Network Element Platform

Ameritech offers the Network Element Platform consistent with Schedule 9.3.4 of the Interconnection Agreement. The Network Element Platform is comprised of various quantities of the Network Elements that are listed in that Schedule, and the ordering mechanism for the Network Element Platform is

[27] Even though this option is designed for smaller carriers, Ameritech will offer this option to all carriers, including large carriers like AT&T.

[28] At 24 trunks, the carrier would subscribe to a DS-1, which provides the equivalent of 24 voice-grade channels.

provided in Schedule 9.2.6 of the Interconnection Agreement. Ameritech will, consistent with Section 51.315(c) of the FCC Rules, combine the listed Network Elements in the ordered quantities in a manner consistent with the requirement that such Network Elements be provided so as not to impair the ability of other carriers to gain access to such Network Elements or to Interconnect with Ameritech.

Also consistent with the Interconnection Agreement,[29] Ameritech will accept orders for the Network Element Platform using the existing Access Service Request (ASR) Interface, based on information AT&T supplies about the Network Elements and combinations of Network Elements which AT&T intends to order in a specific Ameritech Wire Center. The Agreement refers to this detailed ordering information as the "Footprint" or "Trunk Side Information."

To order the Network Element Platform, AT&T need only provide this "Trunk Side Information" once in each geographic area when and where it initially orders the Platform. AT&T would then add customers to the Network Element Platform by placing an order for Loops and additional Unbundled Local Switching Line Ports, just as it would if AT&T were purchasing only Loops and Unbundled Local Switching. AT&T need not place orders for the trunk-side Network Elements that are part of the Network Elements Platform with every end-user customer order. Again, AT&T needs only to provide that information at

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[29] *See* Interconnection Agreement at Schedule 9.2.6, Section 1.0.

its initial deployment of the Network Element Platform, and then can, as it gains customers, add additional quantities of trunk-side Network Elements.

AT&T's Position on Shared Transport and the Network Platform

AT&T's has identified three principal requirements for what it terms "common transport":[30] First, it must use existing Ameritech facilities. Second, AT&T's traffic must be co-mingled with Ameritech traffic and traffic from other carriers. Third, AT&T must not be required to establish custom routing for its traffic that is routed over "common transport" facilities; rather, AT&T will use Ameritech's existing routing instructions.

Similarly, AT&T has identified three principal differences between the purchase of the Network Element Platform and Resale:[31] First, AT&T incurs risks when it purchases the Network Element Platform that it would not incur when it purchases Resale Services. Second, when AT&T purchases the Network Element Platform, AT&T can create services that it cannot create when it provides local exchange service using Resale Services. Third, the Network Element Platform can be used to allow AT&T to gradually introduce its own facilities in place of Network Elements purchased from Ameritech.

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[30] Presentation of Robert Sherry, AT&T, before the Staff of the Public Utilities Commission of Ohio (May 8, 1997); Presentation of Robert Sherry, AT&T, before the Staff of the Wisconsin Public Service Commission (May 12, 1997).

[31] Letter from Bruce K. Cox, AT&T to William F. Caton, FCC (May 14, 1997).

Why AT&T's Position is Inconsistent with the Interconnection Agreements, the Act and the FCC Rules

As discussed in more detail below, AT&T's positions on both Shared Transport and the Network Element Platform are inconsistent with the Interconnection Agreements, the Act and the FCC Rules.

First and foremost, "common transport" as requested by AT&T, is nothing more than undifferentiated usage on Ameritech's existing switched network on a per-minute-of-use basis. As such, it simply cannot be a Network Element, but is instead, a service.

Second, AT&T's proposal violates the Act's requirement that interoffice transport be unbundled from switching and other services. As a matter of engineering fact, "common transport" is not and cannot be unbundled from switching and still operate separately as "common transport."

AT&T's Requirements for Shared Transport

As to AT&T's first requirement, that Shared Transport must be provided over existing Ameritech facilities, Ameritech has no disagreement with AT&T. Indeed, Ameritech has no obligation to make Network Elements available where those Network Elements do not exist today. However, AT&T's two remaining requirements are at odds with the Interconnection Agreement, the Act and the FCC Rules.

As AT&T has admitted, traffic from multiple carriers cannot be commingled on unbundled Shared Transport facilities and comply with the Act or the FCC Rules. First, the only way to separate such multiple carrier traffic is to

have the Shared Transport facility terminate on carrier-specific facilities on the DSX panel where the Shared Transport facility terminates or on carrier-specific Trunk Ports on the Unbundled Local Switching Network Element. AT&T's proposal specifically rejects any requirement for such carrier-specific facilities. However, the FCC Rules require that Ameritech must provide access to the Shared Interoffice Transport Network Element to permit Ameritech to segregate carrier-specific traffic over the Shared Transport Network Element and deliver it to a carrier's Collocation space in an Ameritech Central office. AT&T admits that, under its proposal, this cannot be done.

AT&T then contends that the Shared Transport Network Element need not meet that requirement when it is provided as part of the Network Element Platform. However, there cannot be two different definitions of the same Network Element depending upon whether that Network Element is provided separately or in combination with other Network Elements, and services cannot be transformed into Network Elements. Although the FCC Rules and FCC Order require Ameritech to provide Network Elements so that a requesting carrier may combine those Network Elements, that requirement does not transform a combination of Network Elements into a service.

Even more fundamentally, AT&T's commingling requirement, because it prohibits the provision of any carrier-specific facilities to the sharing carriers, would require the bundling of such "common" transport with switching functionality so that the sharing carriers' traffic can be separated and delivered

to the appropriate carriers, just as is done in the access service known as Common Transport service.

Finally, AT&T's requirement that it use Ameritech's existing routing instructions and that it need not provide Ameritech with information about the number or type of Shared Transport facilities it requires, further demonstrates that what AT&T's wants Ameritech to provide is a telecommunications service, not a Network Element. Coupled with AT&T's other requirements, and as AT&T has been forced to admit, AT&T's definition of "common transport" in which Ameritech, not AT&T, determines routing and facility requirements, is no different functionally than Resale usage services. With Resale Services, Ameritech determines the appropriate routing and facilities requirements; with Network Elements, the requesting carrier determines such routing and facilities requirements, which AT&T refuses to do under its proposal.

Even more fundamentally, AT&T's request that such routing be included as part of its definition of Shared Transport further demonstrates why AT&T is wrong: First, "routing" is not included as part of the Dedicated or Shared Interoffice Network Elements: routing is a function that is provided by switches and switch software. Thus, AT&T's insistence that routing be included as part of its definition of Shared Transport demonstrates conclusively that AT&T's definition of Shared Transport must include switching. But, under the Act and the FCC Rules, Shared Transport cannot include switching. Second, the switch and the software provided by switch vendors provide only the capability of acting on the routing instructions that are programmed by the operator of the switch:

they do not provide routing instructions. The routing instructions used by Ameritech to provide its services are the proprietary product of Ameritech's engineers and administrators, and are not a feature of the switch. Thus, those routing instructions would not be part of a Shared Transport Network Element, even if such a Network Element could include switching.

AT&T's Network Element Platform

AT&T's attempts to distinguish the Network Element Platform from Resale Services are equally without merit. Failing to identify any functional difference between the Network Element Platform and Resale Services,[32] AT&T relies on three principal differences, each of which are demonstrably false.

First, AT&T is simply wrong when it contends that it incurs risks when it purchases the AT&T version of the Network Element Platform that it would not incur when it purchases Resale Services. To support this position, AT&T identifies two such risks: (1) the risk that insufficient user demand will recover the fixed costs of the Unbundled Loop and Unbundled Switch and (2) that AT&T Network Element Platform users will generate substantial switch usage costs on local (*i.e.*, free usage) calls, such as calls to the Internet. Neither risk is of the

[32] Outside of the "facilities" versus "services" argument, Ameritech notes that AT&T refuses to pay for all the facilities that are part of the Network Element Platform, such a necessary cross-connects. *Compare* handouts illustrating "AT&T View" and "Ameritech View" distributed by Robert Sherry at his presentation before the Staff of the Wisconsin Public Service Commission (May 12, 1997), attached hereto as Attachments 1 and 2, respectively. Those cross-connects, which AT&T agreed were required in the Interconnection Agreements, are part of the facilities necessary to provide the service AT&T requests. *See* Interconnection Agreements at Section 9.7.1; Schedule 9.2.4, Section 1.1.; Schedule 9.5, Sections 2.1.1 and 4.1.1; and the Pricing Schedules. The only possible basis for AT&T's position is that such cross-connects are unnecessary because one of the fundamental results from AT&T's position is that, contrary to Section 51.319(d)(2)(iii) of the FCC Rules, Ameritech does not need to provide an ability to connect Network Elements to each other or to the facilities of other carriers.

type contemplated by the Act, neither risk relates at all to the Shared Transport Network Element, nor is either risk substantially different than the risk a Reseller faces.

Tellingly, and most importantly, AT&T has not—nor could it—contend that it has greater risk when it purchases its definition of "common transport" than when a Reseller purchases usage services from Ameritech. Just as in Resale, AT&T will only pay for the services that its customers use, and AT&T will, therefore, have no risk of stranded or unused investment related to its definition of "common transport."

Instead, AT&T focuses on the portions of the Network Element Platform that are not in dispute in an attempt to bootstrap some apparent greater risk from purchasing Loops and Unbundled Local Switching than in purchasing Resale comparables. However, even that attempt falls flat: AT&T does not face any greater risk when purchasing a Loop and its definition of Unbundled Local Switching than a Reseller purchasing a Network Access Line does. This is principally the case because AT&T refuses to purchase all the components of Unbundled Local Switching, such as Trunk Ports. Rather, it contends that it need only purchase a Loop, and pay only the Line Port and some of the switch usage rate elements of Unbundled Local Switching. Thus, even if relevant, AT&T faces no more risk of recovering the fixed cost of a Loop than does a Reseller of a Network Access Line.

AT&T's second identified risk, the risk that its users will cause switch usage costs on free, local calls, incorrectly assumes that such local calling is

free in all cases in all states: it is not. Finally, any risk AT&T may have related to such calling would be greatly diminished under AT&T's proposal since one of the other hallmarks of that proposal is that it be paid Reciprocal Compensation when it secures Network Element Platform customers that, like internet providers, have mostly terminating, but few originating calls (Resellers do not receive Reciprocal Compensation.)

So, too, with its "new service" argument, AT&T focuses on Network Elements that are part of the Network Element Platform other than Shared Transport to demonstrate that the Network Element Platform will permit AT&T to offer new services that are not available if it purchases Resale Services. Ameritech agrees that if AT&T purchases Unbundled Local Switching it may be able to provide new services that are not available under Ameritech's Resale offering.[33] AT&T has not identified—and cannot identify—a single new service that it can provide under its definition of "common transport." As discussed, *supra*, AT&T or any other carrier purchasing Shared Transport consistent with the definition of that Network Element in the Act and FCC Rules, could provide different quality levels and types of services using such Shared Transport.

AT&T is also wrong to suggest that the Network Element Platform provides any greater ability than Resale does for AT&T to gradually introduce its own facilities in place of Network Elements purchased from Ameritech. First, as AT&T has admitted, the Network Element Platform and Resale are functionally

[33] For the reasons stated in n.12, *supra*, Ameritech disagrees that AT&T cannot offer different pricing options for existing services when it purchases Resale services.

equivalent . Moreover, AT&T has insisted that there is no difference in the transition of a customer from Ameritech's retail service to the Network Element Platform than there is from Ameritech's retail service to Ameritech's Resale Service under AT&T's definition of "common transport. AT&T has thus proposed that both changes occur in exactly the same manner, requiring only a change in Ameritech's records to note the different class and type of service—the same charge that applies when an end-user customer changes from Ameritech retail to Resale Service. Unlike the case for all Network Elements, AT&T proposes that no facilities work need be done to accomplish this change.

Finally, AT&T has not identified—and cannot identify—a single way in which its definition of the Network Element Platform fosters the growth of facilities-based competition more or differently than Resale. In fact, the uneconomic price arbitrage that results from AT&T's definition of the Network Element Platform would most certainly discourage such competition. Most importantly, AT&T's definition of Shared Transport and the Network Element Platform would hinder the development of competition for Exchange Access services. If AT&T's definition were adopted, only the carrier providing the Local Loop would be able to provide Exchange Access to the interexchange carrier(s) chosen by the end user customer to whom service is provided over that Local Loop. This is the case, as AT&T admitted in the Wisconsin staff presentation on this issue, because AT&T's position is that it--and it alone--is the exclusive Exchange Access provider for all customers served by AT&T's Network Element Platform.

Ameritech's Compromise Proposal

In an attempt to resolve this issue, Ameritech has proposed a hybrid solution that is consistent with AT&T's stated requirements for the Network Element Platform. That solution, which is not required by the Act, the FCC Rules or the FCC Order, is a hybrid of Network Elements and Resale Services. Under this proposal, AT&T would purchase Unbundled Local Loops and Unbundled Local Switching from Ameritech as Network Elements. AT&T would not be required to purchase custom routing as part of the Unbundled Local Switching Network Element. Rather, AT&T's calls would be routed over Ameritech's facilities using the same routing instructions that Ameritech uses to complete its own calls and those calls from Resellers.

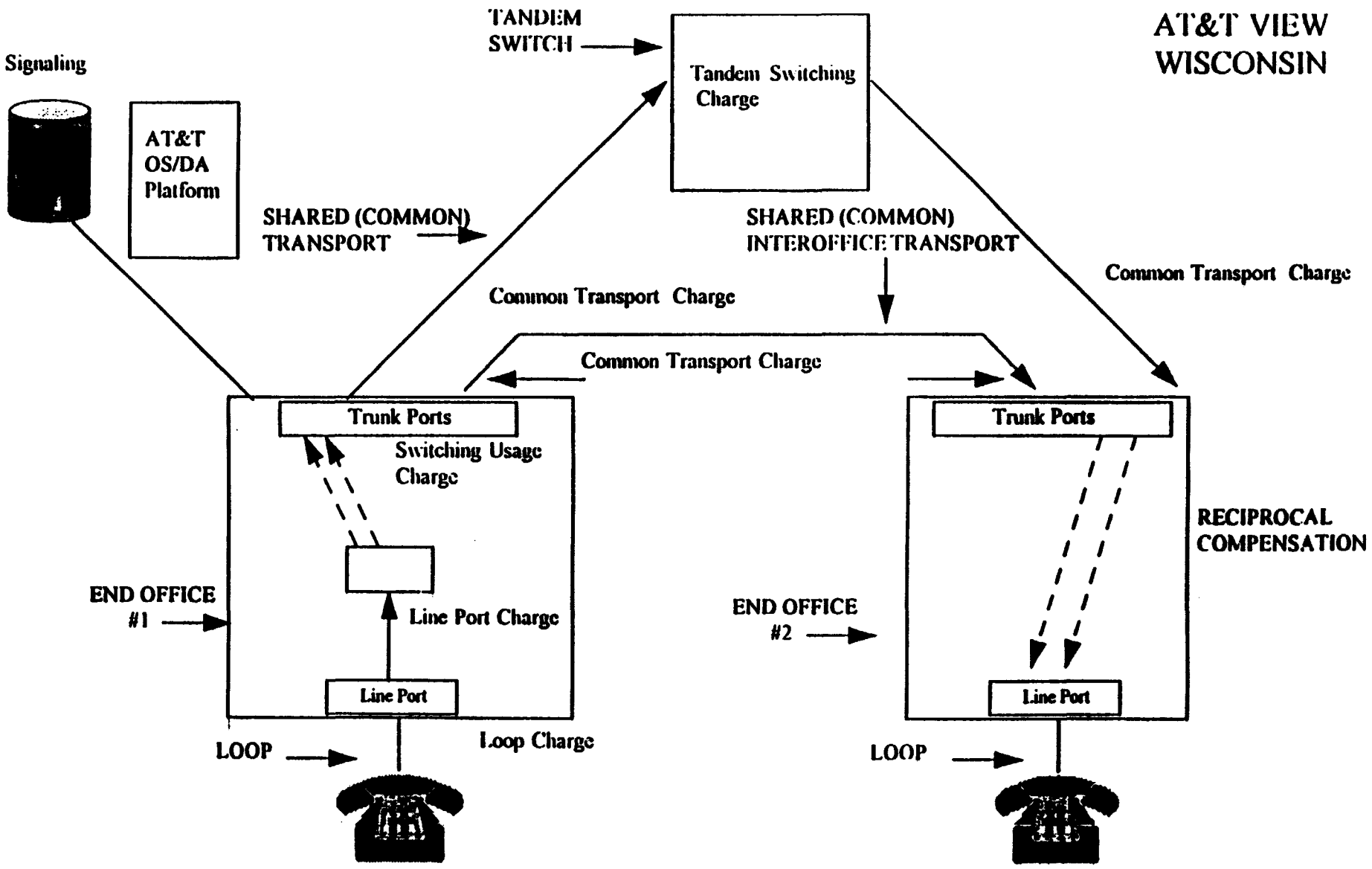
Because AT&T would not be purchasing the Network Elements that comprise the trunk side of the network,[34] Ameritech would provide such network usage to AT&T at the applicable Wholesale Resale rates, since Ameritech is providing usage services to AT&T, not Network Elements. Finally, because Ameritech would be providing Exchange Access in this proposal, Ameritech would continue to provide such access just as it does today and would collect the applicable access charges for providing such access. AT&T, or any other carrier, could use the Unbundled Local Switching and Interoffice Transport Elements to provide Exchange Access to interexchange carriers, if it chose to do so.

[34] Such Network Elements would include appropriate quantities and locations of Dedicated or Shared Transport, Unbundled Tandem Switching, and Unbundled Local Switching in Ameritech End Offices in which AT&T did not have Local Loop customers.

Conclusion

Ameritech's offering of Shared Transport and the Network Element Platform is fully consistent with the Interconnection Agreement, the Act and the FCC Rules. In addition, Ameritech has offered an additional option for Shared Transport, not required by the Act, to address concerns raised by some new local exchange carriers. To address AT&T's requirements for the Network Element Platform, Ameritech has proposed a compromise alternative that, again, although not required by the Act, provides an additional option for AT&T—and other new local exchange carriers—to compete for local exchange customers. Unlike AT&T's positions on these issues, Ameritech's Shared Transport option and compromise proposal are fully consistent with the principles of the Act and the FCC Rules.

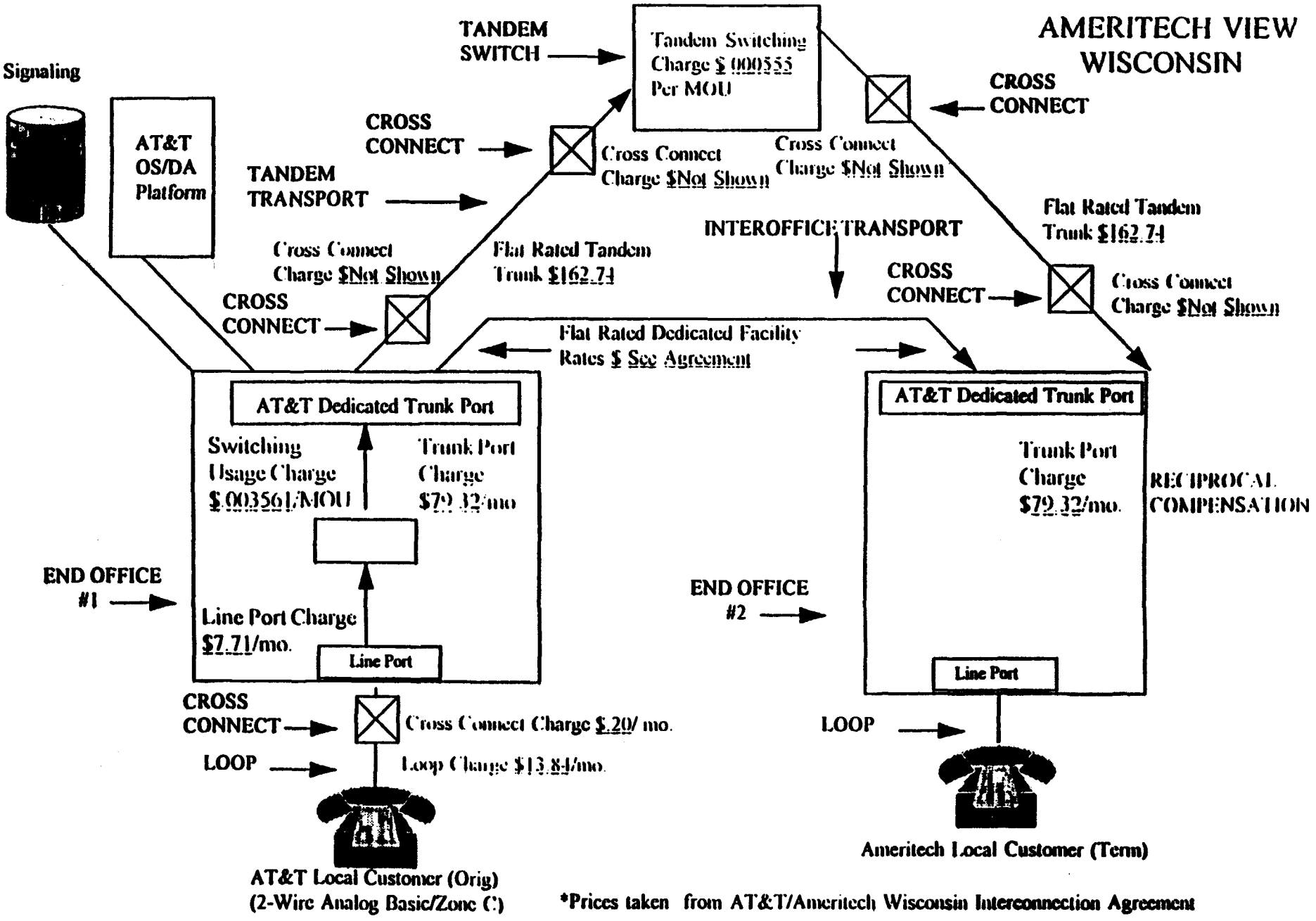
UNE-PLATFORM: NETWORK CONNECTIVITY AND PRICING*



*Prices taken from AT&T/Ameritech Wisconsin Interconnection Agreement
** As specified in PSCW's Draft Order in 6720-T1-120, 5/5/97

AT&T
5/12/97-#1

UNE-PLATFORM: NETWORK CONNECTIVITY AND PRICING*



*Prices taken from AT&T/Ameritech Wisconsin Interconnection Agreement

AT&T

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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AT&T COMMUNICATIONS OF MICHIGAN, INC.	)	
Petition for Arbitration of Interconnection Rates, Terms and Conditions and Related Arrangements with Michigan Bell Telephone Company d/b/a Ameritech Michigan.	)))	Case No. U-11151 Case No. U-11152

NOTICE OF DECISION OF ARBITRATION PANEL

The attached Proposal for Decision is being issued and served on all parties of record in the above matter on October 28, 1996.

Exceptions, if any, must be filed with the Michigan Public Service Commission, P.O. Box 30221, 6545 Mercantile Way, Lansing, Michigan 48909, and served on all other parties of record on or before November 7, 1996, or within such further period as may be authorized for filing exceptions. An original and 15 copies of this document are necessary to meet proper filing requirements, as well as proof of service on all other parties of record. No replies are being provided for.

number portability option. Based on the Panel's decision, the Agreement language proposed by Ameritech on this issue in §§ 13.2, 13.3.2, 13.3.3, 13.3.4, A13.4, 13.5 and 13.9 should be adopted.

REASONS FOR DECISION:

Route Indexing is at best, a medium-term number portability solution for which further development is unwarranted given the industry-wide emphasis on developing long-term solutions in the near future. The focus now should be on developing long-term solutions. Therefore, Ameritech should not be required to divert its resources for another interim solution that will soon be obsolete. Ameritech proposes interim number portability be provided via Remote Call Forwarding (RCF), Direct Inward Dialing (DID) and NXX Migration. Ameritech also states that other methods of providing interim number portability, to the extent technically feasible, may be provided pursuant to the BFR process.

The FCC has stated that the increased cost associated with medium-term number portability solutions are unwarranted given the imminent implementation of a long-term solution (June 27, 1996 Order in CC Docket No. 95-116, ¶ 116). The Panel finds that the outstanding interim number portability issues are rendered irrelevant by AT&T's proposed second quarter, 1998 interconnection with Ameritech. According to the FCC's ordered schedule, long-term number portability will begin to be offered in Michigan no later than the first quarter, 1998. Therefore, the interconnection activation date will not occur until after long-term number portability will be available to AT&T.

The Panel is of the opinion that Ameritech should not have to incur the cost for the short time Route Indexing would be used. The FCC recognized that the capability to provide RCF and DID interim number portability arrangements already exists in most of today's networks and no additional

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

AT&T Communications of Illinois, Inc.	:	
Petition for arbitration of interconnection Rates, Terms and Conditions and related arrangements with Illinois Bell Telephone Company d/b/a Ameritech Illinois.	:	96 AB-003 (Consol.)
Ameritech Illinois	:	
Petition for arbitration of interconnection rates, terms and conditions and related arrangements with AT&T Communications of Illinois, Inc.	:	96 AB-004

ARBITRATION DECISION

DATED: November 26, 1996

AT&T's does not. Ameritech proposes to provide three INP solutions: Remote Call Forwarding ("RCF"), Direct Inward Dialing ("DID"), and LERG reassignment ("NXX migration"). It contends that the Commission should not require implementation of the additional method requested by AT&T. Ameritech notes that its proposal conforms to the Customers' First and Number Portability Orders, that implementing RI-PH would impose unnecessary costs on Ameritech detracting from its efforts to implement Location Routing Number ("LRN") as a long-term solution. Ameritech further argues that AT&T has not demonstrated a need for the additional method of number portability. Concerning the use of rate centers versus wire centers, Ameritech states that this issue will be moot when LRN is implemented and the Commission should reject AT&T's proposal.

Staff notes that no evidence establishing the cost of implementing RI-PH was presented and that AT&T admitted that it does not know how many call paths the Company will need to complete (Tr. 786), or the number of potential customers that will need route indexing (Tr. 787). Staff states that this lack of information would make it difficult to measure the net benefit of requiring Ameritech to provide RI-PH. Staff notes that the Commission has approved LRN as the long-term number portability solution in the Chicago MSA and that LRN will be available in the Chicago MSA in the third quarter of 1997 with permanent number portability to be implemented in portions of the downstate area during 1998 and to be made available statewide in 1999. Staff further notes that AT&T does not expect to be providing facilities-based competition using its own switch in MSA 1 until the third or fourth quarters of 1997 (Tr. 1489) and does not have a projection for such competition outside of that area. Staff concludes that AT&T would have access to permanent number portability in MSA 1 before its anticipated entry on a facilities basis, and therefore, Ameritech should not be required to provide RI-PH under the Agreement.

b. Conclusion

The Commission declines to require Ameritech to provide RI-PH as a means of number portability at this time. In the Customers First Docket, we declined to order the tariffing of this service because of technical uncertainties. The only additional evidence presented here was AT&T's unsupported assertion that other LECs provide this service; that Bell South has agreed to RI-PH and Directory Number-Route Index as interim number portability solutions in another service area; and US West has tariffed Directory Number Route Index in the State of Oregon. While interesting anecdotally, none of these facts address the "technical uncertainties" identified in Customers First. Further, the uncontradicted evidence was that LRN will be in place in the only MSA in which AT&T plans to provide facilities-based competition

before any facilities are up and running. The likelihood is that RI-PH would be obsolete before it was ever needed. Because we decline to impose RI-PH generally, there is no need to discuss the necessity of porting numbers through RI-PH while LERG reassignment is being carried out. There is no requirement to provide RI-PH.

The final interim number portability issue involves the geographic area over which Ameritech must port numbers. While this issue is also tinged by the oncoming long-term solution, the Commission concludes that Ameritech's obligation should only extend to porting numbers within the boundaries of existing rate centers unless a rate center is divided into rate districts, in which case number porting should be limited to within rate district boundaries. This outcome most nearly comports with the current abilities of available technology and is the most reasonable until the establishment of long-term location portability.

16. Should the Agreement require Ameritech Illinois to (1) provide Yellow Page listings to AT&T's customers? (2) provide Information Page listings? (3) distribute White Pages directories to AT&T's facilities-based customers or Yellow Pages directories to all AT&T customers? [§§15.1, 15.1.7, 15.2.5, Annot. Nos. 27-29]

a. Positions of the Parties

AT&T contends that customers have come to expect a free directory listing and a free directory as a part of receiving local phone service. AT&T argues that if there is to be effective competition, this expectation must be satisfied. AT&T maintains that in order for Ameritech to provide service parity, all AT&T customers should receive the requisite White Pages directory listing free of charge to the customer and to AT&T and all AT&T business customers should also receive a free yellow pages listing. AT&T further contends that Ameritech should not charge AT&T for its provision of directories to AT&T's customers because it does not charge its own customers for them. AT&T also objects to Ameritech's proposal that AT&T be required to communicate with DonTech in connection with the provisioning of directory listings and directories for AT&T resale customers. Finally, AT&T seeks the same opportunity as Ameritech to place product and service information in the front portion of the phone book referred to as the Information Pages.

Ameritech states that the 1996 Act makes only two references to phone directories. Section 271(c)(2)(B)(viii) requires incumbent LECs to provide White Pages listings for other carriers' local exchange customers. Section 251(b)(3) requires telecommunications carriers to provide dialing parity through nondiscriminatory access to directory listings. The first